

CITY OF READING
BERKS COUNTY, PENNSYLVANIA

RESOLUTION NO. 1402007

A RESOLUTION OF THE COUNCIL OF THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA AUTHORIZING THE UNWIND OF CERTAIN INTEREST RATE MANAGEMENT AGREEMENTS PREVIOUSLY EXECUTED WITH RESPECT TO ITS GENERAL OBLIGATION BONDS, SERIES OF 2002, SERIES OF 2002 (CABS) AND SERIES OF 2005; AUTHORIZING THE PROPER OFFICERS OF THE CITY TO EXECUTE AND DELIVER ANY NECESSARY DOCUMENTS AND AUTHORIZING THE TAKING OF OTHER NECESSARY ACTION IN CONNECTION WITH THE FOREGOING.

WHEREAS, the City of Reading, Berks County, Pennsylvania (the "City"), previously entered into certain interest rate swap agreements with Wachovia Bank, National Association ("Wachovia") pursuant to a Master Agreement and Schedule to Master Agreement each dated May 26, 2006, as supplemented by various Confirmations thereto (collectively, the "Interest Rate Swap Agreements"), and more particularly described on Exhibit "A" attached hereto, in order to manage interest rate costs of the City with respect to each of the City's General Obligation Bonds, Series of 2002, Series of 2002 (CABS) and Series of 2005; and

WHEREAS, the City has heretofore appointed Financial Solutions LLC as its financial advisor (the "Financial Advisor"); and

WHEREAS, the City's Financial Advisor has advised the City that, under current market conditions, the City can optionally terminate one or more of the Interest Rate Swap Agreements upon payment of a termination fee to Wachovia; and

WHEREAS, the City desires to authorize (i) the termination of one or more of the Interest Rate Management Agreements and (ii) the execution of any documents as shall be necessary or appropriate in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY AS FOLLOWS:

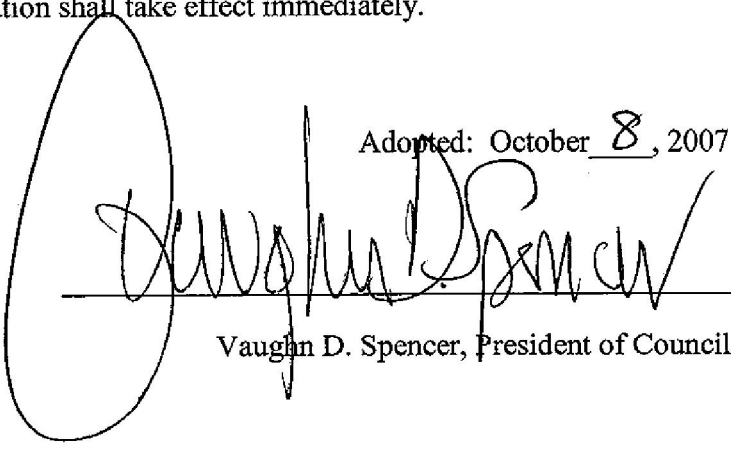
1. Termination of the Interest Rate Swap Agreements. The City hereby authorizes the termination of one or more of the Interest Rate Swap Agreements, as long as the termination fee payable by the City to Wachovia will not exceed \$250,000.
2. Execution and Delivery of Documents. The Mayor of the City, upon advise of the Financial Advisor and as approved by counsel to the City, is hereby authorized to execute and deliver, in the name of the City and on its behalf, any and all documents that may be necessary to effect the termination of the Interest Rate Swap Agreements.
3. Payment of Fees. The City hereby authorizes the payment of (i) a fee of \$15,000 to the Financial Advisor and (ii) a fee of \$5,000 to Stevens & Lee, for their respective roles in assisting the City in terminating the Interest Rate Swap Agreements.

4. Further Action. The Mayor of the City is hereby authorized and directed to execute such further documents and do such further things as may be necessary or proper to carry out the intent and purpose of this Resolution or any document herein authorized.

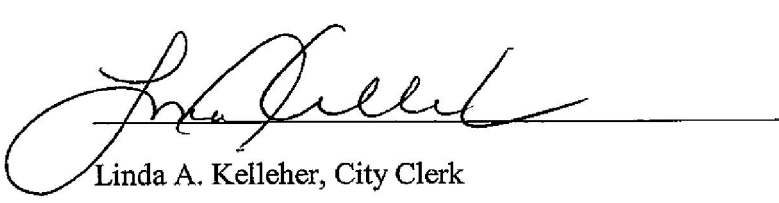
5. Repeal of Inconsistent Resolutions. All prior resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistency.

6. Effective Date. This Resolution shall take effect immediately.

Adopted: October 8, 2007


Vaughn D. Spencer, President of Council

ATTEST:


Linda A. Kelleher, City Clerk

I, LINDA A. KELLEHER, City Clerk of the City of Reading, Pa., do hereby certify, that the foregoing is a true and correct copy of the original Resolution passed by the Council of the City of Reading, on the 8th day of Oct. A. D. 2007. Witness my hand and seal of the said City this 9th day of Oct. A. D. 2007.


CITY CLERK

CERTIFICATE OF CITY CLERK

The undersigned, City Clerk of the City of Reading, Berks County, Pennsylvania (the "City"), hereby certifies that the foregoing is a true and correct copy of the Resolution which was adopted by a majority vote of the Council, at a meeting thereof held after due public notice as required by law, on October 8, 2007.

(SEAL)

By: 
City Clerk

EXHIBIT "A"

INTEREST RATE MANAGEMENT AGREEMENTS

<u>Series</u>	<u>Structure</u>	<u>Approval Date</u>	<u>Original Notional Amount</u>	<u>Maturity Date</u>
Series of 200	Swaption - Fixed to Variable Swap	09/13/2004	\$28,575,000	10/15/2015
Series of 200 (CABS)	Swaption - Fixed to Variable Swap	09/13/2004	\$14,454,017	04/15/2012
Series of 200 (CABS)	Traditional Basis	03/01/2005	\$18,595,000	11/15/2019
Series of 200 (CABS)	CMS Basis Swap	05/08/2006	\$18,595,000	11/15/2019
Series of 200	CMS Basis Swap	05/08/2006	\$15,800,000	11/15/2016